UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Trade and Development Board on its twentieth executive session

held at the Palais des Nations, Geneva,
on 5 February 1999

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INTRODUCTION

(i) The twentieth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 5 February 1999. The executive session consisted of one meeting - the 902nd plenary meeting of the Board. The agenda of the twentieth executive session is reproduced in annex I below.

Chapter I

TEXT ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS TWENTIETH EXECUTIVE SESSION

Substantive agenda item for UNCTAD X and related statements[1]

Developmental strategies in an increasingly interdependent world: applying the lessons of the past to make globalization an effective instrument for the development of all countries and all people

The developmental impact of globalization has been mixed: while some developing countries have benefited, others have not. Economic disparities among countries have not been reduced, with the result that a number of developing countries, particularly the LDCs, run the risk of further marginalization. Tensions and imbalances of a systemic nature have also arisen, and, given the high degree of interdependence in the world economy, the risk of financial upheavals spreading across other countries and regions has greatly increased. The international community should undertake a rigorous and balanced review of the policy and institutional framework for global trade and finance. In this context, the Conference provides member States with an opportunity to take stock of and review the major international economic initiatives and developments, in particular those that have taken place since UNCTAD IX. UNCTAD should consider the strategies and policies which are most likely to ensure the successful integration of all countries concerned, particularly the developing countries, into the world economy on an equitable basis and to avoid the risk of further marginalization.

Statement by the President of the Trade and Development Board

The interests of developing countries with structurally weak, vulnerable and small economies, as well as the issues raised by the Group of 77, the European Union and other groups on 3 February 1999 in the open-ended consultations, shall be taken fully into account in the preparatory process for the Conference and the outcome of UNCTAD X.

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[1] The substantive agenda item and the annotation to it were approved by the Trade and Development Board at its twentieth executive session on 5 February 1999. The statement by the President of the Trade and Development Board was delivered at the twentieth executive session. The statements by the representative of Morocco and the representative of Germany were delivered at the consultations of the President of the Trade and Development Board on 3 February 1999.

Statement by the representative of Morocco in his capacity as Chairman of the Preparatory Committee of the Group of 77

At the Conference, and within the framework of the substantive agenda item as approved by member States, attention will need to be given to, *inter alia*: thorough preparations for multilateral trade negotiations, including the development of a positive agenda for developing countries; investment and competition issues; development finance, debt relief and ODA; stability of international financial flows; reform of the international financial system; trade facilitation and trade efficiency; trade in goods and services; commodities; trade and environment; trade preferences; new information and service-based forms of economic activity and other emerging trends in trade, finance and development; enterprise development and competitiveness; transfer of technology. In all these areas, the systemic constraints that hinder development will need to be given particular consideration. In this same context, the specific problems of developing countries with structurally weak, vulnerable and small economies should be addressed in order to avoid the risk of their marginalization; the integration and full participation of these economies and all developing countries in the global economy will contribute substantially to the overall objectives of world economic growth.

Statement by the representative of Germany on behalf of the European Union

The draft agenda submitted to us aims at establishing a compromise between the different positions expressed from the very beginning of this process. The text which we have before us does not include issues which are dear to the European Union, such as civil society and private sector participation, as well as the need to improve UNCTAD's efficiency.

The two subjects mentioned above are important in our view for the success of UNCTAD X. In other words, we believe that in practical and operational terms, UNCTAD X will be judged especially on whether it can give some degree of formal and institutional shape to the contributions that, since Midrand, have begun to flow from the various components of civil society and the private sector worldwide, thanks mainly to the efforts of Mr. Ricupero. And UNCTAD will also be judged on whether it awakens fully to the need to strengthen and improve the impact of its work.

For this reason, the EU will introduce these two horizontal and systemic subjects, as well as other subjects - horizontal and specific - which are of interest to it, into the detailed agenda, to be determined during the next phase of intergovernmental discussions. These should begin immediately after the executive session of the Trade and Development Board on 5 February 1999.

Chapter II

DRAFT PROVISIONAL AGENDA FOR UNCTAD X

(Agenda item 2)

1. The **President** drew the Board's attention to the draft substantive agenda item for UNCTAD X (TD/B/EX(20)/L.1), as approved at its 3 February consultations. He then read out the following statement, which had also been agreed to at those consultations: "The interests of developing countries with structurally weak, vulnerable and small economies, as well as the issues raised by the Group of 77, the European Union and other groups on 3 February in the open-ended consultations, shall be taken fully into account in the preparatory process for the Conference and the outcome of UNCTAD X".

Action by the Board

2. The Board approved the substantive agenda item and requested the Secretary-General of UNCTAD to complete the draft provisional agenda with the normal procedural items and issue the draft provisional agenda to all delegations. (For the agenda item, see chapter I above.)

Statements

3. The representative of **Morocco**, speaking in his capacity as Chairman of the Preparatory Committee of the Group of 77, made the following statement: " At the Conference, and within the framework of the substantive agenda item as approved by member States, attention will need to be given to, *inter alia*, thorough preparations for multilateral trade negotiations, including the development of a positive agenda for developing countries; investment and competition issues; development finance, debt relief and ODA; stability of international financial flows; reform of the international financial system; trade facilitation and trade efficiency; trade in goods and services; commodities; trade and environment; trade preferences; new information and service-based forms of economic activity and other emerging trends in trade, finance and development; enterprise development and competitiveness; transfer of technology. In all these areas, the systemic constraints that hinder development will need to be given particular consideration. In this same context, the specific problems of developing countries with structurally weak, vulnerable and small economies should be addressed in order to avoid the risk of their marginalization; the integration and full participation of these economies and all developing countries in the global economy will contribute substantially to the overall objectives of world economic growth".

4. The representative of the **Russian Federation** said that his delegation wanted to maintain UNCTAD's mandate as the focal point within the United Nations system for the integrated treatment of trade and interrelated development issues, and all UNCTAD activities must be based on the principle of universality, which meant that all countries or groups of countries were entitled to have their problems taken duly into account. The substantive agenda item for UNCTAD X was

generally in line with UNCTAD's mandates, and the main areas of interest listed by Morocco on behalf of the Group of 77 deserved attention, particularly new issues such as assistance for countries in their preparations for the next round of multilateral trade negotiations and analysis of the consequences and prevention of financial crises. The consensus on the importance of integrating both developing countries and countries with economies in transition into the world trading system must be preserved, and the relevant decisions of UNCTAD IX and the General Assembly, as reflected in "A Partnership for Growth and Development" (TD/377, paras. 49 and 83) and General Assembly resolution 53/170, must be implemented. His delegation was confident that the interests of countries with economies in transition would be fully taken into account during the preparations for UNCTAD X, which should avoid unnecessary complications and concentrate on serious problems. His delegation would be flexible and take account of the interests of its partners, but of course cooperation was a two-way street. Finally, the views of the Russian Federation were shared by other countries with economies in transition.

6. The representative of **Germany**, speaking on behalf of the **European Union**, said the Union was prepared to accept the agenda item on the terms agreed at the Board consultations of 3 February. During the second phase of the preparatory process, a detailed agenda would be drawn up, which would mean clarifying the substantive agenda item and prioritizing the specific subtopics. The main subtopics should be limited in number so as to allow for a more prioritized approach and so as to take account of the organization's scarce resources. They should also deal with areas in which UNCTAD could reasonably be expected to have a tangible and practical impact; areas with respect to which the organization had a comparative advantage; areas which permitted closer cooperation with other organizations, such as WTO and ITC; areas which were aimed principally at developing the capacities and institutions of developing countries and improvement of their national trade policies; and areas which were stated in such a way that at Bangkok, they could become the subject of practical decisions on the future work of UNCTAD, rather than being lengthy documents. The EU was ready to make concrete proposals for both horizontal and specific subjects in the next phase of the intergovernmental preparatory process.

7. Since Midrand, many countries had gone through difficult and turbulent times, caused by financial turmoil. Changes had taken place which would have to be analysed and taken into account by UNCTAD X under the development, trade and investment perspectives. In doing so, UNCTAD should build on the positive achievements of Midrand and ensure consistency with other important multilateral events, in particular the United Nations Millennium General Assembly and the Third LDC Conference. The next round of multilateral trade negotiations, to be launched by WTO prior to UNCTAD X, would greatly influence the Conference, and its themes would probably figure in the UNCTAD work programme for 2000 and beyond. Debates in UNCTAD would certainly contribute to the negotiating process. The EU viewed UNCTAD's contribution on issues such as trade, investment and competition as one of transferring knowledge, building confidence and fostering consensus.

8. The representative of **Ukraine** said that, during the consultations, his country had been among those to propose that the text on the substantive agenda item should mention the countries in transition. Ukraine had agreed to a

compromise formulation for the sake of consensus but wished to recall the principle of universality underlying the work of UNCTAD, by which the interests of all member countries should be given balanced consideration. The interests of the countries in transition should be duly reflected during the UNCTAD X preparatory process and in its documentation, in conformity with the letter and spirit of Midrand and of the resolutions adopted by the Assembly at its fifty-third session.

9. The representative of **Bangladesh** said that the recent financial turmoil had accentuated the need for every forum to seek solutions to contain the malaise, which threatened the developing countries with further marginalization. The crisis foreshadowed the widening gap between, and among, peoples. UNCTAD had a lead role to play in confronting and containing that alarming development, and the selection of the substantive agenda item was therefore highly appropriate. A study of developmental strategies in an increasingly interdependent world, and how to apply their lessons to make globalization a less painful process for the equitable transformation of all peoples, would be of benefit for all. A critique of related developments in such areas as debt, ODA and electronic commerce would afford an opportunity to examine their likely effects on the developing world; of particular interest would be their impact on the LDCs.

10. The preparatory processes for UNCTAD X and the Third WTO Ministerial Conference, which were taking place simultaneously, could feed into and buttress each other. The processes should help consolidate the "Geneva consensus", i.e., the intellectual acceptance of trade not as an end in itself, but as a means to development. Those two events, as well as the Third LDC Conference, should result in a comprehensive new plan of action for LDCs to help put them on the track for development.

11. The representative of **Ethiopia** said he wholeheartedly supported the agenda item and was confident that the special situation of the LDCs would be fully reflected in the discussions. UNCTAD X would provide an opportunity to devise result-oriented development policies and strategies for the new century. It should provide renewed commitment for furtherance of new forms of partnership for equitable growth and development, with a view to reversing marginalization, and lay solid foundations for bridging the ever-growing gap between poor and rich. In order to make UNCTAD a viable partner in achieving those goals, the Conference should build on past experience and learn from the failures of the previous development strategy. It should review implementation of the reform programmes adopted at UNCTAD IX and focus on substantive issues with far-reaching consequences and ramifications for developing economies and peoples. Future conferences should not only be compatible with the demands of new times but should also provide the tools and instruments needed for designing and implementing development policies that could reverse the dangers of marginalization and ensure the successful integration of developing countries, especially the LDCs, into the world economy and international trading system. That was one of the major challenges facing the international community, and indeed represented a test case for the credibility of the entire United Nations system. The systemic constraints and imbalances inherent in the current global economy must be addressed in the proper context, and rectified.

12. The spokesperson for the **Latin American and Caribbean Group** (Uruguay) said that that group of countries approached the substantive agenda item just adopted with flexibility. It was inappropriate to lose time on futile discussions with other regional groups on specific wording. What mattered was to arrive at a broad frame of reference that would cover all of UNCTAD's areas of competence in a constructive spirit, taking account of all the profound changes the world economy had undergone. The text as adopted, taken together with the statements made by the President and the Group of 77, provided clear guidelines for future work on preparation of the substantive topics for the Conference. His Group intended to submit concrete proposals, first to the Group of 77 and then to the other regional groups, in order to begin substantive discussions on the strategic objectives of UNCTAD X.

13. The representative of **China** welcomed the approval of the substantive agenda item for UNCTAD X and said that discussions on concrete topics to be taken up at the Conference should take into account the specific functions of UNCTAD and make use of its universal mandate and comparative advantage. China endorsed the statement made by Morocco on behalf of the Group of 77, which listed the priority topics to be considered within the framework of the substantive agenda item. Those topics covered the burning issues in today's economy and reflected questions of concern to member States. As the Conference would formulate strategies for the new century of great importance for the international economy, and UNCTAD was the sole organization within the United Nations system mandated to help developing countries grow and develop, the topics to be taken up at UNCTAD X should be closely related to questions of real concern to developing countries and should reflect their needs and aspirations.

14. The representative of **Belarus** said his delegation had gone along with the draft text for the sake of consensus, but wanted UNCTAD to be consistent in carrying out its mandate. It must ensure balanced consideration of the interests of all countries, in keeping with the principle of universality, which meant that all countries or groups of countries were entitled to have their problems taken duly into account. Issues faced by countries with economies in transition had received significant attention from UNCTAD, and Belarus would like the achievements of the previous Conference to be maintained and reinforced. The problems of those countries should be reflected in the preparatory process as well as in the decisions to be adopted at UNCTAD X.

15. The representative of **Norway** said his delegation was pleased with the text as adopted, as it was sufficiently specific to give a sense of direction to the work ahead, but also sufficiently general to allow for flexibility. The agenda now focused on the impact of globalization on development, and several actors - Governments, intergovernmental organizations and civil society - were now involved in seeking greater understanding of the complex interrelationships of globalization and in finding adequate responses to the challenges raised. UNCTAD X would thus be part of a broader effort, both within and outside the inter-agency system, to focus on the developmental impact of globalization, and UNCTAD's future role and work should be seen as part of a whole, as a source for strengthening global responses to the new challenges. Decisions on concrete items would have to be taken, however, such as preparing developing countries for the new multilateral trade negotiations, the successful integration of those countries into the world economy, and the marginalization of LDCs. Norway was

satisfied that the LDCs were now specifically mentioned in the text and endorsed the statement made by Germany on behalf of the EU concerning the need for clear priorities.

16. The representative of **South Africa** associated his delegation with the Group of 77 statement. In view of the current financial turmoil afflicting some developing countries and also in view of the next round of WTO negotiations, which were likely to deal with complex issues, the issues raised by the Group of 77 should not be lost in the preparatory process or during UNCTAD X.

17. The representative of **Guatemala** said that her country heartily endorsed the statements made by the Group of 77 and GRULAC. Given the importance of the integration into the global market of developing countries, especially the LDCs and structurally weak, vulnerable and small economies, as well as the countries in transition , those countries should receive special attention. The "Geneva consensus", on the need to view globalization and liberalization as a means for development and not as an end in themselves, should also be borne in mind. Guatemala, speaking also on behalf of other structurally weak, vulnerable and small economies, believed that such countries should be given special consideration during both the preparatory process for UNCTAD X and in the outcome of the Conference.

18. The representative of **Thailand** associated his delegation with the Group of 77 statement. Since UNCTAD IX, the development prospects of many developing countries had experienced a substantial setback, moreover increasing the risk of further marginalization for other such countries. In that context, UNCTAD X would serve as a milestone in addressing the imbalances and systemic constraints of the global economy as well as in defining development strategies and policies for the globalizing economy. In the same spirit of compromise as that evinced by the Board's adoption of the agenda item, it should be possible to produce forward-looking guidelines and policy actions for the international community to undertake with a view to reversing the problems of marginalization and enhancing growth and prosperity on an equitable basis for the global economy on the eve of the twenty-first century.

Chapter III

REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET ON ITS THIRTY-THIRD SESSION

(Agenda item 3)

19. For its consideration of this item, the Board had before it the following documentation:

Agreed conclusions of the Working Party on the financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85);

Decision of the Working Party on UNCTAD's technical cooperation plan for 1999-2001 (TD/B/WP/L.86);

Agreed conclusions of the Working Party on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87);

Draft report of the Working Party on its thirty-third session (TD/B/WP/L.88);

Agreed recommendations of the Working Party on the draft programme budget for the biennium 2000-2001 (TD/B/WP/L.89);

Proposals for the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1).

20. The representative of **France**, speaking in his capacity as **Chairman of the Working Party at its thirty-third session**, introducing the outcome of the Working Party's session held on 25-29 January 1999, drew attention to an amendment made to agreed recommendations TD/B/WP/L.89 and informed the Board that the Working Party wished to meet at the end of April in order to review the budget as a whole, once it had been finalized by the Secretary-General of the United Nations.

21. The Board endorsed the agreed recommendations of the Working Party, contained in document TD/B/WP/L.89, as amended, took note of the proposals for the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1) and invited the Secretary-General of UNCTAD to take those proposals into account. It also endorsed the agreed conclusions of the Working Party on financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85) and its agreed conclusions on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87), as recommended by the thirty-third session of the Working Party. It further took note of UNCTAD's technical cooperation plan for 1999-2001 (TD/B/EX(20)/3), which had been revised as a result of decision TD/B/WP/L.86. (For the text of the agreed conclusions and recommendations, see the report of the Working Party on its thirty-third session in document TD/B/46/2-TD/B/WP/115).

22. The representative of **Switzerland** said that, with regard to partial cost recovery, although he had expected more, the consensus reached by the Working Party (TD/B/WP/L.85) was welcome, and the concept of partnership introduced in the new mechanism would contribute to the sustainability of the technical cooperation programmes concerned. He hoped that that mechanism would now be introduced rapidly and possibly developed further. With regard to the evaluation of the Trade Point programme, the study funded by Switzerland had made it possible to identify the programme's strong and weak points. The Trade Point concept was appreciated by all, although much now remained to be done to improve the programme.

23. The representative of **Germany**, speaking on behalf of the **European Union**, said that, with regard to publications policy, the response rate for the latest readership survey had been only 5 per cent, and better methods must be found to obtain feedback on publications. In that connection, the secretariat should respond positively to requests to meet interested groups and countries to assess demand for UNCTAD's publications. Finally, the projection of negotiating texts in meeting rooms should be extended to other meetings.

24. The representative of the **United Kingdom** said his delegation supported the recommendations of the Working Party, particularly that any future implications for the programme of work resulting from the Board's consideration of the results of the Lyon Summit should be submitted to the Board for approval.

Chapter IV

REPORT OF THE SECRETARY-GENERAL OF UNCTAD ON THE OUTCOME OF THE PARTNERS FOR DEVELOPMENT SUMMIT HELD IN LYON, FRANCE, FROM 9 TO 12 NOVEMBER 1998

(Agenda item 4)

25. For its consideration of this item, the Board had before it the following documentation:

Report of the Secretary-General of UNCTAD on the outcome of the Partners for Development Summit held in Lyon, France, from 9 to 12 November 1998 (TD/B/EX(20)/2;

Partners for Development: Compilation of Partnerships (UNCTAD/PFD/INF.2)

26. The **Deputy Secretary-General of UNCTAD** introduced the report of the Secretary-General of UNCTAD on behalf of the latter. He said that, in pursuit of the objective defined at UNCTAD IX of creating a durable partnership for development, the Secretary-General of UNCTAD had been mandated by the Conference to convene a meeting with actors in development for the purpose of deriving lessons on how to enhance the participation of civil society in UNCTAD. Responding to that mandate inevitably implied moving into largely uncharted territory, as it was one example of the pace of change in development thinking outstripping the capacity of institutions to adapt to change. What was needed was a clear framework for cooperation and partnership in today's globalized world, which provided precise limits to the activities of the secretariat while allowing some flexibility of operation within those limits.

27. The Lyon meeting had been a first attempt at giving concrete expression to the civil society and business partnership concept launched by UNCTAD IX. It had done so by exploiting UNCTAD's characteristics as a universal organization with a development vocation, put into practice through the medium of policy advice and technical cooperation, and backed by a strong research capacity. That explained the wide range of partnerships which had matured at Lyon. The purpose throughout had been to use the UNCTAD forum as a catalyst to bring together interested actors in development in a way that would also enhance the effectiveness of UNCTAD's own activities.

28. In choosing the areas considered most amenable to fostering partnerships, the objective had been to focus on projects in areas which promised to have the greatest impact on the intended beneficiaries and which projects should moreover be based on areas where UNCTAD had established expertise. Those must remain guiding principles in the further evolution of UNCTAD's relations with civil society and the private sector.

29. The Lyon meeting had been a test case based on certain premises whose validity remained to be fully tested, and that process would be addressed during

preparatory activities for UNCTAD X. Those activities would hopefully give a broader dimension to the concept of integrating civil society into the organization's work, in that they would be engaging non-governmental actors of all kinds in a process of collective reflection on the Conference agenda and on multilateral experience in promoting development. A forward-looking aspect would be the Book of Hopes, in which sensible, practical proposals could be gathered from the grassroots and presented to the Conference. The process would have both an educational and a capacity-building dimension, emphasizing civil society in developing countries, and working alongside representative bodies of the business community.

30. The report on Lyon reached some tentative conclusions, such as that the partnership concept, with further refinements and placed within a clear legal and operational framework, could serve as a useful vehicle to enhance the participation of civil society and of the private sector in UNCTAD's activities in the pursuit of shared development objectives. It also concluded that there was a need for more continuity in the participation of civil society in UNCTAD's institutional life, while keeping the political control of all of UNCTAD's activities in the hands of its member States. The UNCTAD experience as exemplified by Lyon had been studied with keen interest by other agencies in Geneva, and an inter-agency working group had been set up to examine relations between the United Nations, NGOs and the private sector with the aim of developing possible guidelines and norms.

31. At the same time, the report raised a number of fundamental legal and practical questions which remained unanswered. While other agencies had long faced problems in choosing legitimate or representative partners in the private sector, those partners were usually non-profit bodies, whereas working on operational projects with profit-seeking partners was clearly more problematic; association with the United Nations could be interpreted as giving an unfair commercial advantage over its competitors, national and international. The potential for conflicts of interest in which the neutrality of the United Nations could be compromised was apparent. One source of enlightenment and guidance would be the practical experience derived from the implementation of the partnerships launched at Lyon.

32. The **Director of the Division for Services Infrastructure for Development and Trade Efficiency** said the Lyon Summit, which had its roots in the desire of member States to get civil society more involved in UNCTAD's work, would lead to more important changes than previous conferences. Given the change in the relative weight of Governments in economic development, and declines in ODA, it was believed that increased private sector resources could be made available for development as long as the motivation, and the means, existed. In addition, NGOS working directly with the world's poorest people could share their experience in the field and bring their concerns to bear.

33. Accordingly, at UNCTAD IX the Secretary-General of UNCTAD had proposed the establishment of a statutory body, comprising representatives of Government, NGOS, the private sector and international organizations, which would have a consultative role and a strong mandate, but be under the control of the Trade and Development Board. Because of concerns over the involvement of the private sector, a compromise had been adopted, that of forming partnerships to mobilize

material and human resources towards development through dialogue and common action by Governments, civil society and the public and private sectors. In organizing a meeting to create such partnerships, the secretariat had had no precedents or models, but had decided to make it a large meeting, as its outcome would be far-reaching. The problem of legitimacy had been resolved by choosing representatives based on their potential contribution to development. The secretariat had also decided to invite full participation at Lyon by NGOS which typically functioned as critics or watchdogs and at previous conferences had staged alternative or parallel events.

34. Topics had been chosen from areas in which UNCTAD was knowledgeable and in which it could have an impact on development. One such area was electronic trade, as by the year 2002 the share of developing countries in that market would be decisive for development; a segment of the Summit had been devoted to the topic, with a sub-item on transport, particularly its trade efficiency aspects, as called for by member States at UNCTAD IX. The second segment concerned profit and development and addressed such issues as commodities; micro-finance; investment; and biotrade. Sessions had also been organized by the International Trade Centre UNCTAD/WTO, United Nations Development Programme, United Nations Conference on International Trade Law, World Bank and International Monetary Fund.

35. Civil society had participated in great numbers, and of a total 2,800 participants, 1,400 were from the private sector. In addition, some 170 countries had been represented, which was very rare for international conferences. The format had excluded speech-making, enabling participants to concentrate on the substance and to learn, understand and bring solutions back home. The Summit had succeeded in providing the secretariat with the basis for proposals on how to integrate civil society into UNCTAD's work. It had, however, been handicapped by the lack of a legal framework, and that was an important problem still to be resolved.

36. The spokesperson for the **Latin American and Caribbean Group** (Brazil) said the level of participation at the Summit proved the success of the event. Latin America and the Caribbean had been well represented, and some of the partnerships launched were of particular interest to the region. The real importance of the Summit lay in the new avenues opened, through which new working methods could be developed. Follow-up to the partnerships would be of great interest, but it was important to emphasize the intergovernmental nature of UNCTAD and the need to keep control within the hands of member Governments. His Group shared the concern for the need to review the organization's working methods and absorb new resources, and was ready to consider proposals for increasing the participation of civil society.

37. The representative of **Turkey** said the relevance of UNCTAD lay in its output for end-users, who were not necessarily Governments. Cooperation with the private sector had its own features, however, and required a different approach from that used with NGOS and academia, as material interest was in question. Her delegation agreed with the report (paras. 25-27) on the need to establish clear guidelines on dealing with the private sector, which should encourage greater participation, should not question the organization's ethical, moral or legal liability but should keep UNCTAD's activities under the supervision of its member

Governments. Partners from the private sector should be briefed on UNCTAD and United Nations working methods. The Secretary-General of UNCTAD should provide his views on how to do business with the private sector and the steps to be taken, for discussion prior to UNCTAD X.

38. The representative of the **United States** applauded Lyon as a first step in bringing together Governments, international organizations, academia, the private sector and NGOS. His Government would generally have no problems with joint research projects with academic institutions or NGOS but was concerned about potential problems that could easily arise from UNCTAD partnerships with commercial enterprises. It was essential that member States have the opportunity to review any ground rules established for such activities by the Secretary-General of UNCTAD before any such partnerships moved forward.

39. His delegation recognized the importance of removing barriers that could block developing countries' participation in global electronic commerce, but wanted more information on the partnership entitled "Promoting a Predictable Legal Environment for E-Commerce" before the proposal was put into effect. The United States would first like to know what was meant in the document by "an appropriate legal framework", and also to review the principles that would guide the recommendations of UNCTAD's private sector partners to ensure that they removed barriers rather than unwittingly create them. Any recommendations for legislative reform should foster a minimalist, stable, private sector-led and technology-neutral framework for electronic commerce. He also wished to know how participating firms had been chosen and whether other firms could join the partnership, should member States consider the proposal appropriate, and he welcomed the establishment by the Secretary-General of UNCTAD of an inter-agency working group to prepare guidelines for increased transparency in the process of developing partnership proposals.

40. The representative of **Japan** said that, although Lyon had been a success for its action-oriented results and unique approach, it could not necessarily provide real substance, especially in connection with the needs of LDCs, such as attracting investment opportunities, and had failed to present the concrete problems they faced. Some sessions had been mere business forums, without any UNCTAD input, and the Summit had also failed to achieve balanced regional representation, with remarkably few participants from Asia, and East Asia in particular. The participation of high-level policy-makers from developed countries had been quite disappointing as well, and in general the role of Governments in the entire process had been very limited.

41. It was important to rethink the role of the public sector in furthering a public-private sector partnership. His delegation shared the concern for clear guidelines on strengthening UNCTAD's ties with civil society; such guidelines should be established as soon as possible, and there should be regular reports on follow-up to the partnerships launched.

42. The spokesperson for the **African Group** (Kenya) said his Group was concerned that the Summit had marginalized Africa. Discussions on the partnership concept must take into account the fact that the concept of private sector-led growth had been universally accepted as an essential ingredient of economic policy-making. In that regard he welcomed joint actions by UNCTAD and the private sector to

address the anomaly of Africa's marginalization from FDI flows. The Lyon session on mobilizing resources for FDI flows to LDCs should be used as a model, as there was no clear framework for such cooperation. In discussing the partnership concept it was also important to differentiate among NGOS, some of which had considerable expertise in such fields as investment and debt relief and whose power could be harnessed for developing countries.

43. The representative of **Egypt** said that, through the direct interaction, dialogue and exchange of information at the Summit, his country had set up links with participants in important areas of development and trade. The report of the Secretary-General of UNCTAD raised important questions, such as UNCTAD's role and goal in assisting developing countries to achieve development. The participation of NGOs in UNCTAD's activities was welcome as long as it contributed positively to the outcome of development policies and strategies. That contribution was governed by the different nature, role and responsibility of all the actors. Non-governmental participation must be a tool for improving UNCTAD's role, and not an end in itself. The question as to which mechanism should identify NGOs to be invited to participate in the organization's activities, and whether the Board, in its current form, was the appropriate such mechanism, should be addressed, along with the different aspects of partnerships, particularly the legal aspect. The partnership agreements were a model of what UNCTAD could do, and the unconventional use at the Summit of its secretariat as a vehicle for direct interaction among all parties, on all subjects, which had moreover been carefully selected to depart from the usual course, was a model that could be applied elsewhere. A comprehensive report on all the Lyon sessions would be welcome.

44. The spokesperson for the **Asian Group and China** (Islamic Republic of Iran) said those countries saw the need to review the implications of the Summit and its contributions to development as well as UNCTAD's role in promoting development. The idea of more active participation by all actors in development warranted further discussion, as it required some ground rules and the proper framework. Since the fall of man, the question had been asked, "What is mine, and what is yours?", and that question was appropriate in the present context. There were certain domains for Governments and others for civil society; boundaries had to be defined in order to avoid problems. UNCTAD's enthusiasm for the involvement of development actors should not, however, lessen the responsibility of Governments for the work of the organization.

45. His Group attached importance to promoting the role of UNCTAD in the integrated treatment of the development issues of trade, finance, investment and technology. That process required much deliberation, an opportunity for which would be provided by UNCTAD X and its preparatory process.

46. The representative of **Switzerland** said the Summit had constituted the first bridge built towards a basis for common action by NGOS and other actors in development, with their own resources and expertise, and no longer just Governments. Nevertheless, the new path to be taken would also raise questions, and further analysis would have to cover the advantages and disadvantages that could emerge from Lyon on the road to UNCTAD X. His delegation was willing to participate in continued secretariat action on guidelines and a clear legal framework.

47. The representative of **Germany**, speaking on behalf of the **European Union**, said the report raised conceptual questions on UNCTAD's future role in involving NGOS in its work. UNCTAD's strategy should have a more closely defined conceptual and empirical basis. The establishment of partnerships should not be seen as the only way to improve interaction with civil society. The Union was looking forward to receiving the proposal of the Secretary-General of UNCTAD for an intergovernmental debate on that issue prior to UNCTAD X. The idea for a consultative body under the Trade and Development Board would be carefully considered by the EU.

48. The representative of the **Republic of Korea** said the Summit had been a successful and meaningful venture for which tangible and productive follow-up measures were needed. The proposals contained in the report, including those on UNCTAD's methods of work, warranted comprehensive discussion prior to, and during, the Conference. Initiatives similar to Lyon should contribute to promoting the cause of development in the coming years with renewed strength, and his delegation would continue trying to sensitize its own private sector about the ongoing initiative as well as to bring its own input to UNCTAD's work.

49. The representative of **Costa Rica** said the concerns of the Secretary-General of UNCTAD on the selection of partners would require more thought. The summit had generated great enthusiasm and opened new doors for information on how to solve the problems arising from the world's financial turmoil. Follow-up would, however, be essential, and it was especially important to take the experience of the first wave of partnerships into account.

50. The representative of the **United Kingdom** said future partnerships must be conducted within established guidelines, and in that connection his delegation supported the call made to member States by the Deputy Secretary-General of UNCTAD at the previous meeting of the Working Party on the Medium-term Plan and the Programme Budget for fully transparent legal guidelines from United Nations Headquarters.

Action by the Board

51. The Board took note of the discussion. Issues relating to the follow-up to the Partners for Development Summit would be taken up in the consultations of the President.

Chapter V

OTHER BUSINESS

(Agenda item 5)

(a) Outcome of the meeting of the extended Bureau of the Commission on Enterprise, Business Facilitation and Development on its third session

52. The Board approved the recommendation of the Bureau of the Commission on Enterprise, Business Facilitation and Development to convene only one expert meeting for 1999 on capacity-building in the area of electronic commerce, which would take place from 14 to 16 July 1999. It further invited the secretariat to explore the possibility of convening a Secretary-General's ad hoc group of experts on issues raised by the in-depth external evaluation of the Trade Point programme by the Working Party on the Medium-term Plan and the Programme Budget and authorized the President of the Board to adjust the calendar of meetings for 1999 accordingly.

(b) Invitation to the United Kingdom Secretary of State for International Development to address the Board on 2 March 1999

53. The **President** informed the Board that, on learning of the presence in Geneva of the United Kingdom Secretary of State for International Development on 2 March 1999, he had taken the initiative of inviting the her to address an open session of the Board on that day.

(c) Restructuring of the UNCTAD secretariat

54. The representative of **Tunisia** said that her delegation had experienced great difficulty in obtaining information on secretariat staffing levels from UNCTAD's administrative service in December 1998. Her delegation wanted a strong and efficient secretariat, not a small paralysed one. The goal was not "downsizing" but "rightsizing".

55. The representative of the **United States** asked what progress had been made in respect of the replacement of the Director of the Trade Division. In that connection, she failed to understand the secretariat's proposal, in the programme budget process, to reduce the number of posts in the Trade Division.

56. The representative of **Egypt** asked why there was still no Special Coordinator in the Special Economic Unit for the Palestinian People, in conformity with General Assembly resolution 52/220.

57. The **Deputy Secretary-General of UNCTAD** said it was hoped that the matter of the replacement of UNCTAD's Chief of Administration would be settled in the near future, and problems such as that raised by Tunisia would be quickly resolved. Concerning the vacant post of Director of the Trade Division, the ad hoc panel set up by the Secretary-General of UNCTAD had just made its recommendation to the Secretary-General. With regard to the staffing of the

Trade Division, as a result of the Working Party's discussions the proposal to reduce the Division's staff by four professional posts had been reviewed and two of the posts in question had been reinstated in the Division. It was hoped that a third would also be reinstated. Concerning the fourth post, however, its functions were interdivisional (centring on the relationship between trade and investment) and those functions were being transferred to an interregional adviser L post in EDM, thus releasing a D.1 post, to be devoted to cross-cutting issues. Finally, concerning the Special Economic Unit, an acting coordinator was in place as a temporary measure, but it was intended to transfer the responsibilities of the Special Coordinator to the coordinator for cross-cutting issues; the Special Economic Unit would be further strengthened by the addition of a P.2 post.

(d) Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

58. The representative of **Germany**, speaking on behalf of the **European Union**, said that the European Union had continued interest in the evaluation of the Intergovernmental Working Group of Experts, and it hoped that the informal consultations on the matter would be resumed after the next session of the Group.

59. The representative of **Uganda**, speaking as **Vice-President of the Board** and Chairman of the informal consultations, said it was his intention to resume the consultations once the views of the Group itself had been obtained. It was hoped that interpretation would be provided for the consultations.

Chapter VI

ORGANIZATIONAL MATTERS

(Agenda items 1 and 6)

A. Opening of the session

60. The twentieth executive session of the Trade and Development Board was opened on 5 February 1999 by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the twentieth executive session

61. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its twentieth executive session was as follows:

President:	Mr. Chak Mun See	(Singapore)
Vice-Presidents:	Mr. Nobutoshi Akao	(Japan)
	Mr. Carlos Amat Fores	(Cuba)
	Mr. Petko Draganov	(Bulgaria)
	Mr. Savitri Kunadi	(India)
	Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)
	Mr. Syargei Mikhnevich	(Belarus)
	Mr. Alphonse Oseku	(Uganda)
	Mr. Carlos Pérez del Castillo	(Uruguay)
	Mr. Raimundo Pérez-Hernández	(Spain)
	Mr. Mounir Zahran	(Egypt)
Rapporteur:	Mr. Philippe Merlin	(France)

C. Adoption of the agenda

(Agenda item 1)

62. The Board adopted the provisional agenda for its twentieth executive session (TD/B/EX(20)/1), as amended. (For the agenda as adopted, see annex I.)

D. Report of the Board on its twentieth executive session

63. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

ANNEXES

Annex I

AGENDA FOR THE TWENTIETH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda

2. Draft provisional agenda for UNCTAD X

3. Review of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-third session

4. Report of the Secretary-General of UNCTAD pursuant to paragraph 119 of "A Partnership for Growth and Development" on the outcome of the Partners for Development summit held in Lyon, France, from 9 to 12 November 1998

5. Other business

   (a) Outcome of the meeting of the extended Bureau of the Commission on Enterprise, Business Facilitation and Development on its third session

   (b) Invitation to the United Kingdom Secretary of State for International Development to address the Board on 2 March 1999

   (c) Restructuring of the UNCTAD secretariat

   (d) Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

7. Report of the Board on its twentieth executive session

Annex II

ATTENDANCE */

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Angola
Australia
Austria
Bangladesh
Barbados
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Georgia
Germany
Ghana
Guatemala
Hungary
India
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Lithuania
Madagascar
Malaysia
Malta
Mauritania
Mauritius
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Oman
Panama
Paraguay
Peru
Philippines
Portugal
Republic of Korea
Russian Federation
Senegal
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Yemen
Zambia

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*/ For the list of participants, see TD/B/45/INF.3.

2. The following other States member of UNCTAD, not members of the Board, was represented as observers at the session:

Holy See

3. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Co-operation
Arab Labour Organization
European Community
League of Arab States
Organization of African Unity
South Centre

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
World Health Organization
International Monetary Fund
World Trade Organization

5. The United Nations Environment Programme was represented at the session. The International Trade Centre UNCTAD/WTO was also represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
World Federation of United Nations Associations
World Savings Bank Institute

Special Category

International Council of Nurses

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